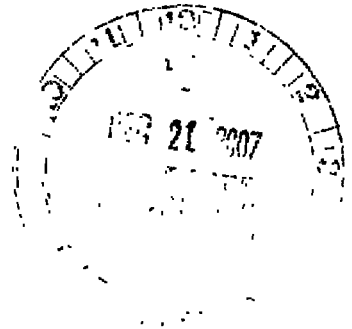


RECORDATION NO. 24506-E FILED

DEC 21 '07

2-39 PM

SURFACE TRANSPORTATION BOARD



FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Tel 847.318.7575
Fax 847.318.7588
www.firstunionrail.com

VIA UPS 2nd DAY AIR

December 19, 2007

Mr. Vernon Williams
Surface Transportation Board
395 E Street S.W., Suite 100
Washington, D. C. 20024
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and one (1) copy of a Memorandum of Lease Agreement dated December 17, 2007, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Surface Transportation Board under Recordation Number 24506.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Watco Transportation Services
315 West Third Street
Pittsburg, KS 66762

A description of the railroad equipment covered by the enclosed document is one hundred seventeen (117) 4280 cu. ft. capacity, steel cars; having FURX marks (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5397. Thank you for your cooperation in this matter.

Very truly yours,

Marcia Dunne
Rail Documentation Specialist

Enclosures
(WAC0009)

DEC 21 '07

2-39 PM

ASSGN. NO.: WACO009

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 17th day of December, 2007, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Watco Transportation Services, Inc., ("Lessee"), a Kansas corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of December 17, 2007 whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 1 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of _____, _____, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

By: Richard F. SeymourName: RICHARD F. SEYMOUR
VICE PRESIDENT, SALES & MARKETING

Title: _____

ATTEST:

By: Susan GrokulskaName: SUSAN GROKULSKY
ASST. DIRECTOR OFTitle: DOCUMENTATIONExecuted on this 17th day of December, 2007.

[CORPORATE SEAL]

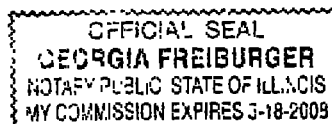
STATE OF ILLINOISCOUNTY OF COCK

I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 17th day of December, 2007.

Georgia Freiburger
Notary Public

My Commission Expires:

5-18-2008
(Notary Public)

LESSEE:

WATCO TRANSPORTATION SERVICES, INC.

ATTEST:

By:

Name:

Title:

By:

Name:

Title:

Executed on this

day of

[CORPORATE SEAL]

STATE OF

COUNTY OF

I, Tracey Kukulovich, a Notary Public of the County and State aforesaid, certify that Garry Neumann personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 27th day of November, 2007.

Notary Public

Commission Expires:

2-7-10

(Notary Public)

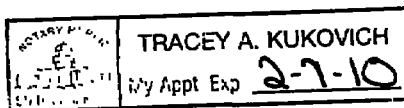


EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: One hundred-seventeen (117)

DESCRIPTION OF CARS: 1990 built, five pocket, rapid discharge, 4080 cu. Ft. capacity combination (rotary and bottom dump) steel cars.

CAR NUMBERS:

FURX	925000	FURX	925039	FURX	925078
FURX	925001	FURX	925040	FURX	925079
FURX	925002	FURX	925041	FURX	925082
FURX	925003	FURX	925042	FURX	925083
FURX	925004	FURX	925043	FURX	925084
FURX	925005	FURX	925044	FURX	925085
FURX	925006	FURX	925045	FURX	925086
FURX	925007	FURX	925046	FURX	925087
FURX	925008	FURX	925047	FURX	925088
FURX	925009	FURX	925048	FURX	925089
FURX	925010	FURX	925049	FURX	925090
FURX	925011	FURX	925050	FURX	925091
FURX	925012	FURX	925051	FURX	925092
FURX	925013	FURX	925052	FURX	925094
FURX	925014	FURX	925053	FURX	925095
FURX	925015	FURX	925054	FURX	925096
FURX	925016	FURX	925055	FURX	925097
FURX	925017	FURX	925056	FURX	925098
FURX	925018	FURX	925057	FURX	925099
FURX	925019	FURX	925058	FURX	925100
FURX	925020	FURX	925059	FURX	925101
FURX	925021	FURX	925060	FURX	925102
FURX	925022	FURX	925061	FURX	925103
FURX	925023	FURX	925062	FURX	925104
FURX	925024	FURX	925063	FURX	925105
FURX	925025	FURX	925064	FURX	925106
FURX	925026	FURX	925065	FURX	925107
FURX	925027	FURX	925066	FURX	925108
FURX	925028	FURX	925067	FURX	925109
FURX	925029	FURX	925068	FURX	925110
FURX	925030	FURX	925069	FURX	925111
FURX	925031	FURX	925070	FURX	925112
FURX	925032	FURX	925071	FURX	925113
FURX	925033	FURX	925072	FURX	925114
FURX	925034	FURX	925073	FURX	925115
FURX	925035	FURX	925074	FURX	925116
FURX	925036	FURX	925075	FURX	925117
FURX	925037	FURX	925076	FURX	925118
FURX	925038	FURX	925077	FURX	925119